

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7972**

**BILL NUMBER:** SB 619

**NOTE PREPARED:** Mar 28, 2005

**BILL AMENDED:** Mar 15, 2005

**SUBJECT:** Administrative Hearings.

**FIRST AUTHOR:** Sen. Gard

**FIRST SPONSOR:** Rep. Wolkins

**BILL STATUS:** As Passed House

**FUNDS AFFECTED:** X **GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill requires the Office of Environmental Adjudication to: (1) review agency actions of the Department of Environmental Management (IDEM) and certain actions of environmental rulemaking boards; and (2) conduct adjudicatory hearings required to implement agency action of IDEM. It provides that an environmental law judge (ELJ) is the ultimate authority for reviews of: (1) agency actions of IDEM; and (2) certain actions of environmental rulemaking boards. It states the standards for removal of an ELJ or an administrative law judge (ALJ) of the Natural Resources Commission. The bill also provides for the appointment of a special ELJ or special ALJ.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** (Revised) Current statute requires the Office of Environmental Adjudication (Office) to conduct adjudicatory hearings required to implement environmental management laws and rules of the environmental boards. This bill would require the Office to review the actions of IDEM and environmental boards, review challenges to rulemaking actions of environmental boards, and conduct adjudicatory hearings required to implement agency actions of IDEM. The bill also makes an environmental law judge the ultimate authority over decisions of IDEM, rather than IDEM's commissioner. These provisions may increase the administrative burden on the Office, however, the additional workload will likely be variable.

The bill allows the director of the Office to appoint a special environmental law judge and the director of the Division of Hearings, under the Natural Resources Commission, to appoint a special administrative law judge. The fiscal impact of these provisions is based on personnel expenses and is dependent on administrative action. If an attorney is hired in at the PAT 1 level, the associated personnel costs would be

\$55,321 in FY 2005 and \$55,582 in FY 2006. This amount includes salary, benefits, and indirect costs.

Also required by this bill is the creation of a Division of Hearings. Current statute provides the Natural Resources Commission (Commission) *may* create such a division. A Division of Hearings currently exists under the Commission. This provision should not have a fiscal impact.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Office of Environmental Adjudication; Division of Hearings, Natural Resources Commission.

**Local Agencies Affected:**

**Information Sources:**

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